



Department of Justice

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JUSTICE DEPARTMENT REACHES SETTLEMENT WITH NATIONAL COUNCIL ON PROBLEM GAMBLING

Council Agrees to End Territorial Allocation of Services

WASHINGTON, D.C. – The Department of Justice today reached a settlement with the National Council on Problem Gambling, Inc. (NCPG) that will free NCPG state affiliates to sell problem gambling products or services outside of their home states.

The Department filed a civil antitrust complaint in the U.S. District Court for the District of Columbia alleging that the NCPG violated Section 1 of the Sherman Act by facilitating an unlawful territorial allocation to prevent its state affiliates from selling problem gambling products or services outside of their home states. At the same time, the Department filed a consent decree that, if approved by the court, would resolve the lawsuit.

“Consumers—the governmental and individual entities—purchasing problem gambling services, as well as those who use these services, will benefit from the competition that this decree will restore,” said R. Hewitt Pate, Acting Assistant Attorney General in charge of the Antitrust Division.

The NCPG, a national trade association whose membership includes 34 state affiliates, assists compulsive gamblers and their families through education, advocacy, information and referrals to self-help groups and lobbies Congress for funding of problem gambling programs.

The NCPG's board of directors is controlled by the state affiliates, which as a group have a majority of the seats. The NCPG does not create the services offered by its affiliates, but rather each of the NCPG state affiliates independently creates and markets problem gambling services, such as training and certification programs workshops and telephone help-lines.

The Department noted that while many associations have legitimate, pro-competitive territorial allocations, in this case, the NCPG was not designing a distribution system to enhance economic efficiency.

According to the Department's complaint, since 1995, the NCPG facilitated a territorial allocation agreement on behalf of its state affiliates to prevent problem gambling service providers from crossing state lines to compete. The Complaint alleges that problem gambling service providers were threatened with sanctions or loss of their NCPG membership for bidding outside of their territory. As a result, competition among the state affiliates was curtailed, and consumers were deprived of the benefits of free and open competition.

The proposed consent decree prohibits the NCPG from agreeing to restrict the sales of problem gambling services, or the submission of competitive bids in any state or territory or to any customer; and from adopting any policy, code of ethics, by-law or certification standard which inhibits competition or implies that competition is unethical, unprofessional or contrary to NCPG policy.

As required by the Tunney Act, the proposed consent decree, along with the Department's competitive impact statement, will be published in the *Federal Register*. Any person may submit written comments concerning the proposed consent decree during the 60-day public comment period to Marvin N. Price, Jr., Chief Chicago Field Office, Antitrust Division,

Department of Justice, 209 S. LaSalle St., Suite 600, Chicago, Illinois 60604. At the conclusion of the comment period, the court may enter the final judgment upon a finding that it serves the public interest.

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